

TOWN OF MANSFIELD
FINANCE COMMITTEE MEETING
MINUTES OF APRIL 12, 2010

Members Present: W. Ryan, C. Schaefer, D. Keane

Council Members Present: Meredith Lindsey

Staff Present: C. Trahan, Jennifer Kaufman, Curt Vincente

Guests: Open Space Committee members – Vicky Wetherell, Michael Allison, Jim Morrow, Quentin Kessel

Meeting called to order at 6:00pm.

1. Minutes from 03/08/10 meeting approved as presented
2. Open Space Committee members joined the Finance Committee to encourage that the proposed bonding authorization of \$1,000,000 that was presented at referendum in November, 2009 be again included in the 2010 referendum. While the question passed, there were not enough voters present to authorize the bonding. Jennifer Kaufman will provide information on the cost of community services. Jennifer will also provide information on the Moss Sanctuary and the Moss Tract. (Information attached)

The Finance Committee will flag this item for follow up with the full Council.

3. Cherie Trahan reviewed the Willimantic & UConn water sewer budgets. Cherie explained the 5 year internal audit performed by the finance staff on the UConn water & sewer billings. This resulted in an overall credit to billings to customers. The Finance Committee agreed to recommend that the 2009/10 sewer budgets be adopted by the WPCA.
4. The Committee discussed the presentation to the public on the Council's adopted budget.
5. Adjournment. The meeting adjourned at 7:05pm.

Motions:

Motion was made to accept the March 8, 2010 minutes by Denise Keane. Seconded by Carl Schaefer. All in favor, motion so passed.

Motion was made to endorse the acceptance of the 2009/10 Willimantic & UConn sewer budgets by the Town Council acting as the WPCA, by Carl Schaefer, seconded by Denise Keane. All in favor, motion so passed.

Motion to adjourn.

Respectfully Submitted,
Cherie Trahan
Director of Finance

Cherie A. Trahan

From: Jennifer S. Kaufman

Sent: Monday, April 12, 2010 6:52 PM

To: Cherie A. Trahan

Subject: Moss Sanctuary Transaction

Hi Cherie:

While the Town is credited with the preservation of the 135-acre Moss Sanctuary, this transaction was part of a larger transaction that included:

- The 96-acre North property on Mason Road in Willington, a mature hardwood forest on the eastern bank of a scenic stretch of the Fenton River. Purchased by CFPA from the Town of Willington in 2005, the North property was a gift to the town from Mr. Daniel North. In accordance with his wishes, the proceeds of CFPA's purchase were used to contribute to the building of Willington's first stand-alone public library. As part of the new agreement, the CFPA conveyed the land to UConn.
- The 135-acre Albert E. Moss Sanctuary located at the corner of South Eagleville Road and Route 195 in Storrs. The Moss Sanctuary is a maturing oak-hardwood forest that includes Tift Pond and a well-established hiking trail system. It is situated across South Eagleville Road from the Mansfield town offices and Community Center. UConn conveyed the land to CFPA, which then conveyed it to the Town of Mansfield.
- The Moss Forest Tract, a 300-acre forest in Willington. The Moss Forest Tract abuts the North property and the two parcels combined are 396 acres of upland deciduous forest, bisected by the Fenton River and one of its significant tributaries, Eldredge Brook. The Moss Tract has been designated a research forest by the University. UConn conveyed to CFPA a 50-year conservation restriction
- UConn also conveyed to CFPA permanent trail easements over the blue-blazed Nipmuck trail that lies within the North property, the Moss Forest Tract, and the Fenton Tract of the UConn Forest. The Nipmuck Trail, like all the 825 miles of blue-blazed hiking trails, is open to the public for passive use. Approximately three miles of blue-blazed hiking trail are now protected, the largest single trail easement ever acquired by CFPA

Hope this helps,
Jennifer

Cherie A. Trahan

From: Jennifer S. Kaufman
Sent: Monday, April 12, 2010 6:59 PM
To: Cherie A. Trahan
Subject: Cost of Community Services Info
Attachments: 20100412185544921.pdf

Hi Cherie:

I am attaching a summary of eight Cost of Community Service Studies (COCS) completed in Ct. Paula Stahl of the Green Valley Institute has done many of these COCS. She is a former municipal director of finance. She is a wealth of info on this subject and would be happy to help the town anytime with this issue.

Let me know if you need further info.

Thanks.

Jennifer S. Kaufman
Parks Coordinator
Mansfield Parks and Recreation
10 South Eagleville Road
Storrs-Mansfield, CT 06268
860-429-3015x204
860-429-9773 (Fax)

Fiscal Benefits: Farm and Forest Lands Help Maintain Lower Property Taxes

Cost of Community Services (COCS) studies use municipal data to determine the fiscal contribution of various local land uses. These case studies compare the cost of municipal services needed for farm and forest land, residential, and commercial and industrial property to the revenues generated from these lands. Over 20 years of COCS studies around the country have shown that farmland and other open space generate more public revenue than they require in municipal services. Even when farmland is assessed at its current agricultural use value under *Public Act 490*, farmland generates a surplus to help offset the shortfall created by residential demand for public services.⁶ A review of COCS research in eight Connecticut towns shows that for each dollar of property tax revenue generated by working lands, on average only 31 cents is required in municipal services.

.....
In 2007, the town of Lebanon undertook a build-out analysis to understand the impacts of development based on current land use regulations, including the fiscal impact of this development. The study determined that in 10 years, with a 10 percent growth rate, the town would need to increase taxes to cover an additional \$2.2 million in community services required by the new growth.

Town (year of study)	Residential	Commercial and Industrial	Working and Open Land
Bolton (1998)	1.05	0.23	0.50
Brooklyn (2002)	1.09	0.17	0.30
Durham (1995)	1.07	0.27	0.23
Farmington (1995)	1.33	0.32	0.31
Lebanon (2007)	1.12	0.16	0.17
Litchfield (1995)	1.11	0.34	0.34
Pomfret (1995)	1.06	0.27	0.86
Windham (2002)	1.15	0.24	0.19
Median	1.11	0.26	0.31
U.S. Median	1.19	0.29	0.37

■ Maple Syrup and Honey

Includes: raw honey, comb honey, beeswax candles, maple syrup, candy and sugar.

- Connecticut farmers produce approximately 11,000 gallons of maple syrup each year.
- There are 62,000 taps for maple syrup in the state.
- Connecticut has approximately 125 farms that sell 132,000 pounds of honey each year.

As many as 40 gallons of sap are needed to make 1 gallon of maple syrup.

Connecticut Department of Agriculture, 2007; NASS New England, 2005.



■ Meat

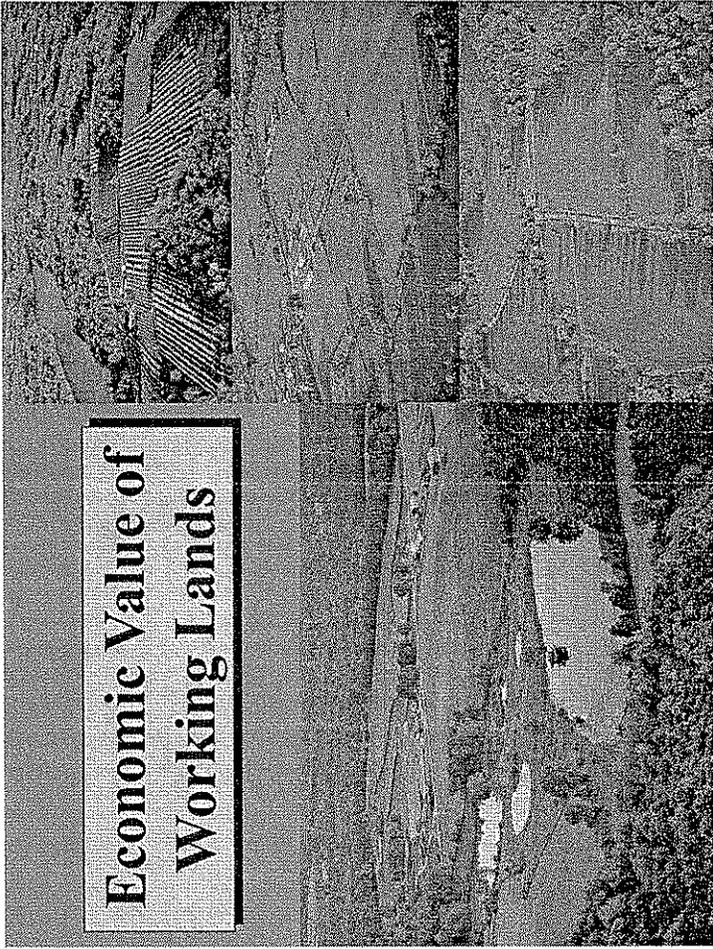
Includes: lamb, beef, pork, goat and veal.

- There are 67 meat producers in Connecticut.
- Many other farms raise sheep and goats for milk and fiber; the state is home to more than 5,000 sheep and 2,500 goats.

Locally raised meat is available at farmers' markets, farm stands and farm stores throughout the year.

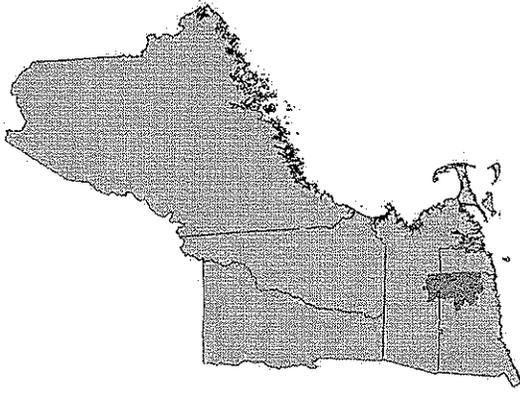
Connecticut Department of Agriculture, 2007.

Economic Value of Working Lands

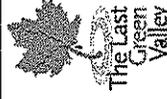


The Last Green Valley

- One of the first Heritage Regions in United States
- 1994 Act of Congress
- 1,086 square miles
- 35 Towns



www.tlgv.org



Green Valley Institute

a partnership among

The Last Green Valley's

Quinebaug Shetucket National Heritage Corridor

and the

UConn College of Agriculture and Natural Resources

UMass Extension, The Nature Conservancy, and others

Paula Stahl, LLA, ASLA, AICP

Community and Finance Educator

Co-Director of the Green Valley Institute

Economics of Land Use

Municipalities

Need local tax revenue to support services

Last Green Valley Farms

556 Agriculture and related businesses
TLGV survey – 331 respondents

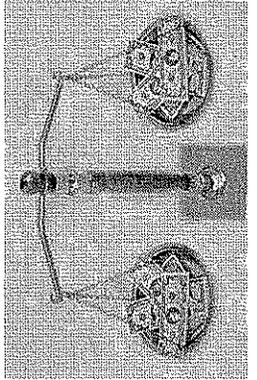
70%	Food production	Considering:	Primary Issue:
	• Vegetable	expansion	financial
	• Dairy and hay	diversify	marketing
	• Meat		
	• Fruit		
30%	Other	expansion	economy
	• Nursery	diversify	
	• Forest		
	• Equine		

Economics of Land Use

A Balancing Act

Local tax revenue

Cost for services



Economics of Land Use

Why should we worry about it?



Economics of Land Use

Analytical Methods

- ❖ **Cost of Community Services Study**
Fiscal analysis by land use category
- ❖ **Fiscal Impact Analysis**
The long term fiscal effect of one project
- ❖ **Build-out Analysis**
The maximum development possible



Economics of Land Use

How the Mill Rate is determined

Town Assessor
Compiles list of Property Values:

Real Estate - Homes	Anticipated Revenues
Real Estate - Commercial & Other	Board of Education Budget
Motor Vehicles	Town Government Budget
Personal Property (Commercial)	Capital Projects
Subtracts Non-Taxable Property	Bond Payments
Grand List	Amount of Local Tax
	Divide
	=
	MILL RATE

Finance Board
Complies Budget:



Cost of Community Services Study

- ❖ Developed by American Farmland Trust in 1986
- ❖ Tool to show cost to provide town services on a land use basis
- ❖ Land use categories used
 - Residential - including apartments
 - Commercial / Industrial
 - Vacant / Protected Open Space / Working Lands



Economics of Land Use

Types of Land Use

- Developed:**
 - Residential
 - Commercial / Industrial
- Undeveloped:**
 - Vacant land
 - Protected open space
 - Working lands



COCOS Study + 20 years

20 years - 2027



COCOS Study + 20 years

Growth Assumptions:

- 10% population growth per decade
- Vacant land would be developed

Budget Assumptions:

- Grand list would increase — tax revenue increase
- Some expenses would not change
- Some would increase at a higher rate
- Most would increase at the rate of growth



COCOS Study + 20 years

Assumptions:

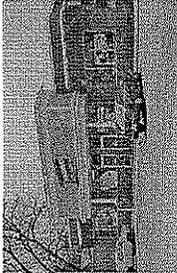
- No inflation
- State Aid same
- State Reimbursement rate same
- Salaries are fixed
- Mill rate is same

20 Year Forecast

	2006-2007 Budget	2026-27 Adjusted for Growth
Tax Revenue	12,515,316	14,571,213
Intergovernmental Revenue	5,705,635	5,710,561
Tuition Paid	1,532,109	-
Other Local Revenue	590,316	683,979
	<u>20,333,376</u>	<u>20,965,753</u>
Expenditures - Gen Government	3,857,863	4,649,539
Expenditures - Debt Pmts	1,475,513	-
Expenditures - Education	15,000,000	15,000,000
43% student population growth assume costs at 35%		5,250,000
less CT reimbursement of 32.4%		(1,701,000)
	<u>20,333,376</u>	<u>23,198,539</u>
Net Budget	0	(2,232,786)
		575,937 Value of 1 mill in 2027
		3.9 Additional mills needed to balance



Development's Fiscal Impact



Additional Commercial Development

- ❖ Immediate – Additional tax revenue
- ❖ Gradually see need for increased municipal services:
 - Increased workers from out of town using town services
 - Additional residential development
 - Shoppers from neighboring towns using town services
- ❖ Commercial real estate values appreciate much slower than residential reducing the grand list percentage mix over time

20 Year Forecast

Net Budget _____ 0 (2,232,766)

575,937 Value of 1 mill in 2027
3.9 Additional mills
needed to balance

Operating Expenses

Capital Expenditures:

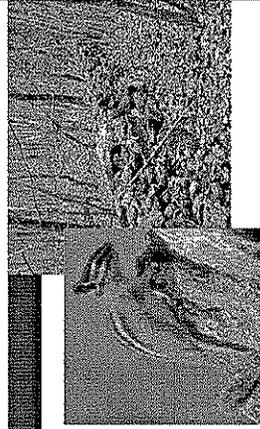
Elementary and Middle School Expansion
at \$45,000,000, less state reimbursement
annual bond payment would be approx.

(1,800,000)
3.1 Additional mills

7.0 Total Mills
30% increase



Working Lands & Open Space Impact



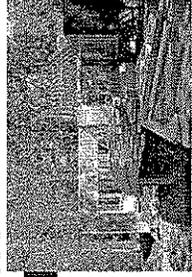
- ❖ Maintaining and preserving farms, forest and open space may lower future taxes



- minimal municipal services required
- provides balance
- counters impacts of other uses both economically and environmentally



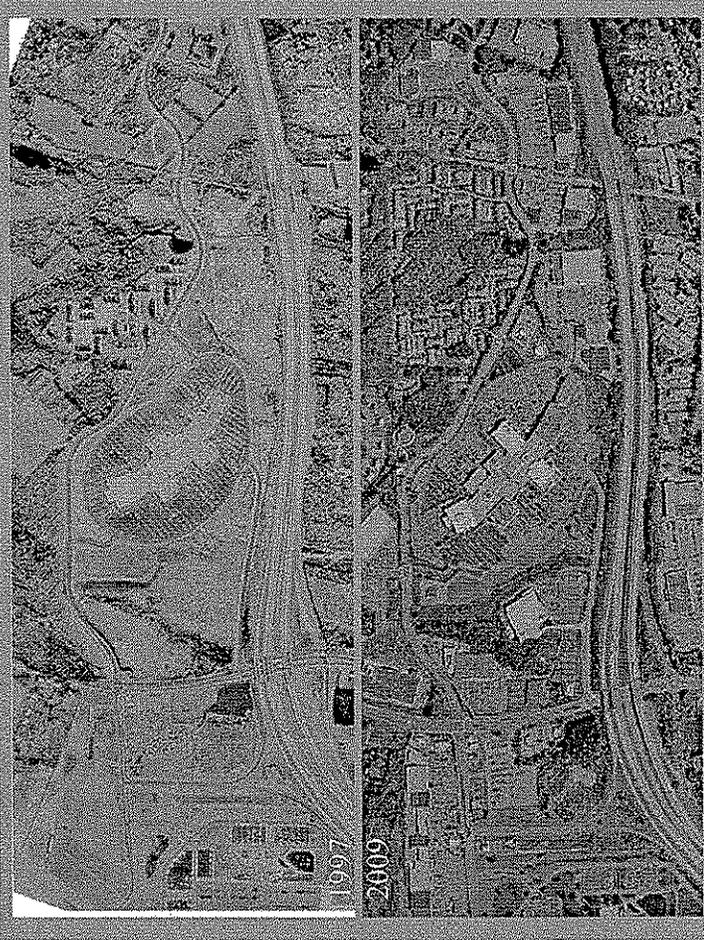
Development's Fiscal Impact



New Residential Development

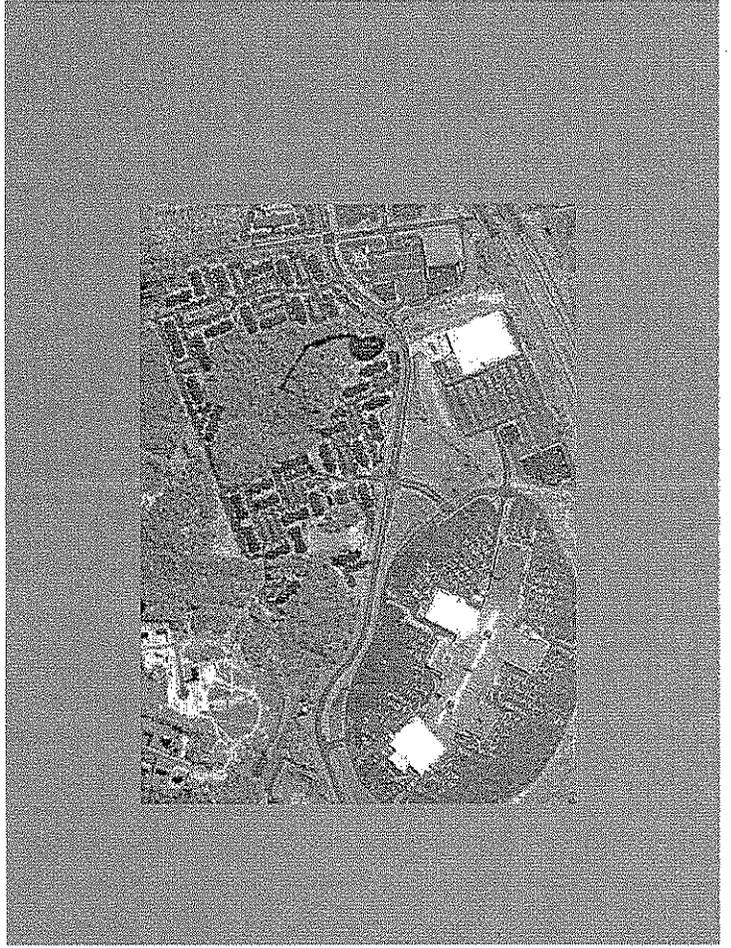
- ❖ Immediate – Additional tax revenue
- ❖ Gradually see need for increased municipal services:
 - Education
 - Public Works – new roads
 - Other town services – safety, library, recreation
- ❖ In time the population growth will mean capital expenditures for schools and other municipal buildings

Mill Rates

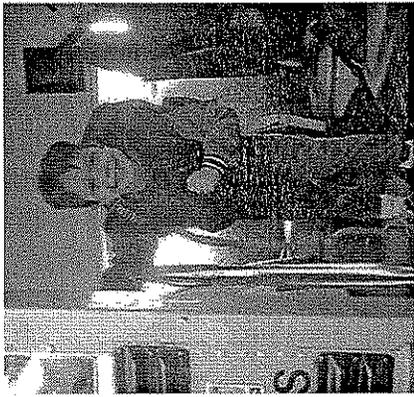


Mill Rates 1997-2007 CPI 29%

	Manchester	Lebanon	Thompson		
1997	24.26	17.50	17.56		
1998	23.99	18.50	17.56		
1999	23.79	19.20	17.90		
2000	23.59	19.90	18.40		
2001	24.79	24.10	19.89		
2002	27.41	25.30	21.64		
2003	32.90	26.20	22.64		
2004	34.31	27.40	23.63		
2005	36.07	23.30	24.63		
2006	38.07	27.20	15.91		
2007	40.14	25.30	16.65		
15.88 Mills	65%	7.8 Mills	45%	-9 Mills	-5%
Population Change	9%	15%	2%		



Community Growth Considerations



Community Growth Considerations

What's it all mean

Development is good—

provides needed tax revenue

brings new people into the community

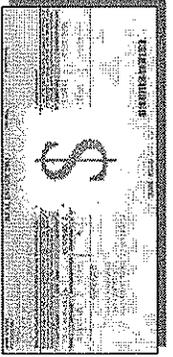
Development comes with a price—

cost for added services

possible change in community character

Summary

- ❖ COCS Studies determine the cost to a community of various land uses
- ❖ COCS Studies show development over time increases mill rate
 - ❖ Property taxes are on average:
 - Higher in more developed towns
 - Lower in more rural towns
 - ❖ 'Growing the Grand List' may increase taxes



Community Growth Considerations

What's it all mean

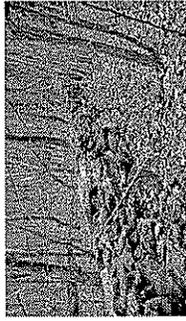
Counterintuitive —

more development can mean higher taxes

And, the more land available for development, the more there is cause for concern for the fiscal future of the town

Summary

- ❖ **Open Space**
 - brings in more revenue than it uses in services
 - no/low demand for services
 - retains rural character
 - environmentally friendly



Summary

- ❖ **Residential land use**
 - uses more in services than it brings in revenue

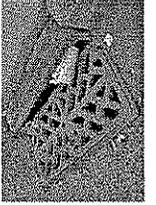


Summary

- ❖ **Agriculture / Working Lands**
 - brings in more revenue than it uses in services
 - part of the local economy
 - high local multiplier effect
 - hire local workers
 - buy local supplies and services
 - smart economic development
- BONUS: tourism and rural character**

Summary

- ❖ **Commercial / Industrial development**
 - brings in more revenue than it uses in services
 - usually increases residential development
 - possible town infrastructure costs
 - impacts rural feel of community
 - may have environmental concerns



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Thank you.

aerial photos courtesy of: Les Sweetnam
GLSweetnam.com

